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ABSTRACT

This handbook is designed to help disabled individuals determine the effects of a given employment opportunity on Social Security Benefits. Because of the complexity of the material, it is intended not for the consumer, but for the social workers, counselors, and developmental disabilities coordinators as a reference source for work with people with developmental disabilities. In addition to overviewing the handbook, an introduction discusses the four major programs under the Social Security Act that provide benefits for disabled or handicapped individuals--two social insurance programs (Social Security Disability Insurance and Medicare) and two income assistance programs (Supplemental Security Income and Medical Assistance). Part 1 discusses how earnings can affect categorical eligibility for disability benefits under the Social Security Act. These activities/conditions that can aversely affect eligibility are considered: medical recovery, substantial gainful activity, trial work period, unsuccessful work attempt, rehabilitation and treatment, and sheltered workshop earnings. Part 2 explains how to assess the value of one's eligibility. Benefits from each of the four programs are described separately. Part 3 explains how to assess the value of a specific offer or work. Taxes and health insurance are also discussed. (YLB)

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CAN YOU AFFORD TO WORK?

A
HANDBOOK
ON
SOCIAL SECURITY BENEFITS

U S DEPARTMENT OF HEALTH, EDUCATION & WELFARE
NATIONAL INSTITUTE OF EDUCATION

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SEPTEMBER, 1979

RFW rehabilitation facilities of wisconsin

WISCONSIN COUNCIL ON DEVELOPMENTAL DISABILITIES

CE 029 098

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State of Wisconsin \ COUNCIL ON DEVELOPMENTAL DISABILITIES

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MADISON, WISCONSIN 53702

To the Reader:

This handbook on Social Security benefits was prepared with a grant from the Wisconsin Council on Developmental Disabilities. The original purpose was to provide a manual the recipient could use to determine the effects of a given employment opportunity on Social Security benefits. It was anticipated that the recipient could use this manual to evaluate the total financial outcome of employment before, rather than after, accepting a job. This would have eliminated the risk of weakening the person's final financial standing through loss of benefits.

However, as you will note upon reading, the Social Security programs explained in this manual are complex. Determining the effects of an offer of employment may require detailed analysis of various programs. Because of this complexity, the value of this manual for use by the recipients has been reassessed. Rather than being directed to the consumer, the manual has been printed and distributed to social workers, counselors, developmental disabilities coordinators, and others as a reference source for their work with people with developmental disabilities.

In addition to the above distribution, the manual is also being sent to federal and state legislators. The content of this handbook should emphasize the degree of difficulty in evaluating the financial consequences of work alternatives. It is hoped that through increased awareness attempts will be made not only to simplify the system, but to remove the disincentives to work which now exist.

Sincerely,

Frances B. Bicknell

Frances Bicknell
Chairperson

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INTRODUCTION

There are four major programs under the Social Security Act which provide benefits to individuals because those individuals are disabled or handicapped. Two of these programs are social insurance programs. The two remaining programs are income assistance programs.

The two social insurance programs are:

Title 2 Social Security Disability Insurance (SSDI)
Title 18 Medicare

Persons who receive these social insurance benefits are called "beneficiaries". Beneficiaries who have been entitled to SSDI for 24 consecutive months are also automatically eligible for Medicare. It is not possible for a person to be eligible for Medicare on the basis of a disability unless that person is also eligible for SSDI.

In order to be eligible for SSDI, you must be in one of the following categories

Disabled Worker
Disabled Adult Child of a Disabled Worker
Disabled Adult Child of a Retired Worker
Disabled Adult Child of a Deceased Worker
Disabled Widow or Widower of a Worker
Disabled Divorced Wife of a Deceased Worker

In order to qualify for benefits, a Disabled Adult Child must be unmarried and must have become disabled before age 22. Disabled widows, widowers, and surviving divorced wives must be 50 years of age in order to qualify.

In all of the above cases, there must be an "insured worker" from whose account benefits may be drawn. In order to be fully insured, a worker must have had enough "quarters of coverage."

The amount of an individual's monthly SSDI payments is primarily determined by the insured worker's average monthly wage prior to his or her disability, retirement or death.

There are no requirements in either the SSDI or Medicare programs that a beneficiary be financially needy.

Both of these social insurance programs are administered by the Social Security Administration (SSA). SSDI checks are green-colored. Medicare cards are red-white-and-blue.

The two income assistance programs are:

Title 16 Supplemental Security Income (SSI)
Title 19 Medical Assistance (MA)

Persons who receive these income assistance benefits are called "recipients." Recipients of SSI are always also eligible for MA. Recipients of MA, however, are not necessarily also eligible for SSI. In order to be eligible for SSI or MA, a recipient must be age 65 or older, or blind, or disabled, and he or she must also meet certain financial eligibility requirements as evidence of financial need. The

SSI program is administered by the SSA. The MA program is administered through your local County Department of Social Services by the Wisconsin Department of Health and Social Services. SSI checks are gold-colored. MA cards are blue and white. Temporary MA cards are green.

It is possible for an individual to be eligible for both social insurance and income assistance benefits. In fact, there are eight different combinations of SSDI, Medicare, SSI and MA which can occur:

Possible Combinations

	SSDI	Medicare	SSI	MA
1.	X			
2.	X	X		
3.	X	X	X	X
4.	X		X	X
5.	X	X		X
6.	X			X
7.			X	X
8.				X

Persons receiving disability benefits under the Social Security Act who are attempting to increase their earning power despite the presence of a disabling medical impairment are exposed to a financial risk. The risk is that an increase in earnings derived from remunerative employment will cause a reduction in personal income. The presence of this risk can be attributed to two basic facts. First, in order to be eligible for Social Security disability benefits, it is necessary for an individual to display a low level of earning power. Secondly, the level of earning power which is sufficient to cause the loss of eligibility is frequently insufficient to offset the value of the benefits which will be lost.

Disabled individuals who are contemplating employment, or who are contemplating an increase in the earnings they derive from employment, can take steps to minimize or avoid this financial risk. It is the purpose of this handbook to help disabled individuals identify the conditions under which they can afford to work.

This handbook is divided into three parts. The first part discusses how your earnings can affect your categorical eligibility for disability benefits under the Social Security Act. The second part explains how you can assess the value of your eligibility. The third part explains how you can assess the value of a specific offer of employment.

It is assumed that the reader of this handbook is already eligible for SSDI, SSI, MA or Medicare. Because of this assumption, the handbook does not provide complete information on how eligibility for these programs can be established or acquired by individuals who are seeking eligibility. Instead, the handbook will focus on how eligibility may be lost or retained by persons who currently possess eligibility.

Also, this handbook does not contain information regarding several other benefit programs which are available to many disabled persons. Examples of such programs

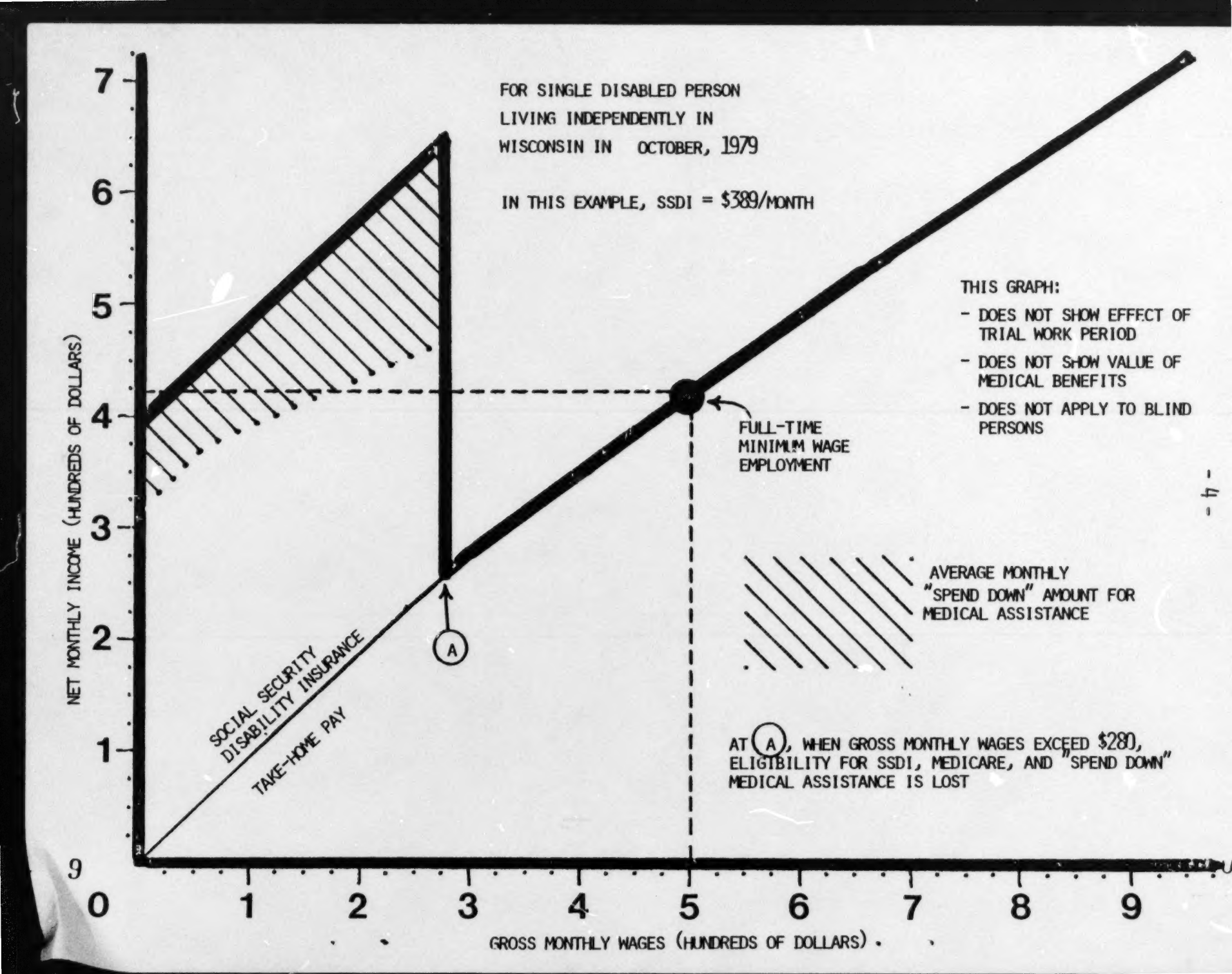
would include the Food Stamp program, Aid for Dependent Children (AFDC) and Section 8 Rent Assistance. These sources of income assistance could play an important role in a decision regarding whether you can afford to work. You may wish to contact your County Department of Social Services of your local Housing Authority for information regarding these additional programs.

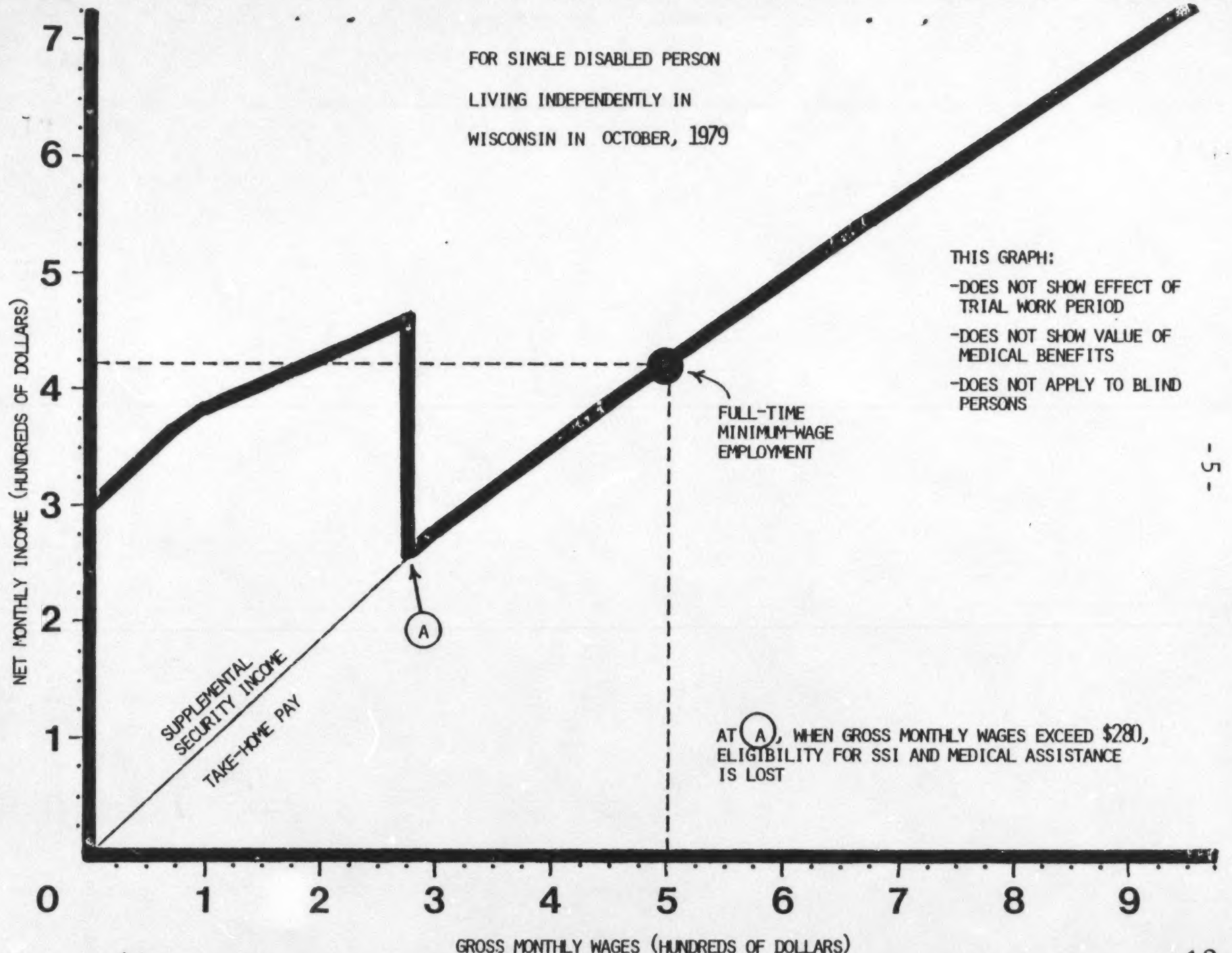
A number of abbreviations are used in this handbook. These are as follows:

AFDC - Aid for Dependent Children
BSSDI - Bureau of Social Security Disability Insurance
CDSS - County Department of Social Services OR
County Department of Public Welfare OR
County Department of Human Services
DHSS - Department of Health and Social Services
EOB - Explanation of Benefits
MA - Medical Assistance
OASDI - Old Age, Survivors and Disability Insurance
SGA - Substantial Gainful Activity
SSA - Social Security Administration
SSDI - Social Security Disability Insurance
SSI - Supplemental Security Income
TWP - Trial Work Period
WPS - Wisconsin Physicians Service

Finally, one last introductory note: this handbook will not relieve you of the necessity of contacting your SSA office, or your CDSS, for complete information regarding your situation. The information contained in the handbook is simply designed to alert you to some of the situations which can arise as you increase your work activity. However, because there is always a possibility that this handbook fails to contain information important to your individual situation, it is strongly recommended that you verify your information with the SSA or your CDSS before you embark upon any particular course of action.

The graphs on pages 4, 5, and 6 illustrate reductions in net income which can occur as a result of increases in gross wages. As you review the information in this handbook, you are invited to return to these graphs for a clearer picture of how the pieces of the puzzle fit together.


FOR SINGLE DISABLED PERSON
LIVING INDEPENDENTLY IN
WISCONSIN IN OCTOBER, 1979
IN THIS EXAMPLE, SSDI = $389/MONTH
THIS GRAPH:
- DOES NOT SHOW EFFECT OF TRIAL WORK PERIOD
- DOES NOT SHOW VALUE OF MEDICAL BENEFITS
- DOES NOT APPLY TO BLIND PERSONS
FULL-TIME MINIMUM WAGE EMPLOYMENT
AVERAGE MONTHLY "SPEND DOWN" AMOUNT FOR MEDICAL ASSISTANCE
AT (A), WHEN GROSS MONTHLY WAGES EXCEED $280, ELIGIBILITY FOR SSDI, MEDICARE, AND "SPEND DOWN" MEDICAL ASSISTANCE IS LOST
SOCIAL SECURITY DISABILITY INSURANCE TAKE-HOME PAY
A
NET MONTHLY INCOME (HUNDREDS OF DOLLARS)
GROSS MONTHLY WAGES (HUNDREDS OF DOLLARS)
0
1
2
3
4
5
6
7
8
9


FOR SINGLE DISABLED PERSON
LIVING INDEPENDENTLY IN
WISCONSIN IN OCTOBER, 1979
THIS GRAPH:
-DOES NOT SHOW EFFECT OF TRIAL WORK PERIOD
-DOES NOT SHOW VALUE OF MEDICAL BENEFITS
-DOES NOT APPLY TO BLIND PERSONS
FULL-TIME MINIMUM-WAGE EMPLOYMENT
A
AT (A), WHEN GROSS MONTHLY WAGES EXCEED $280, ELIGIBILITY FOR SSI AND MEDICAL ASSISTANCE IS LOST
SUPPLEMENTAL SECURITY INCOME
TAKE-HOME PAY
NET MONTHLY INCOME (HUNDREDS OF DOLLARS)
GROSS MONTHLY WAGES (HUNDREDS OF DOLLARS)
0
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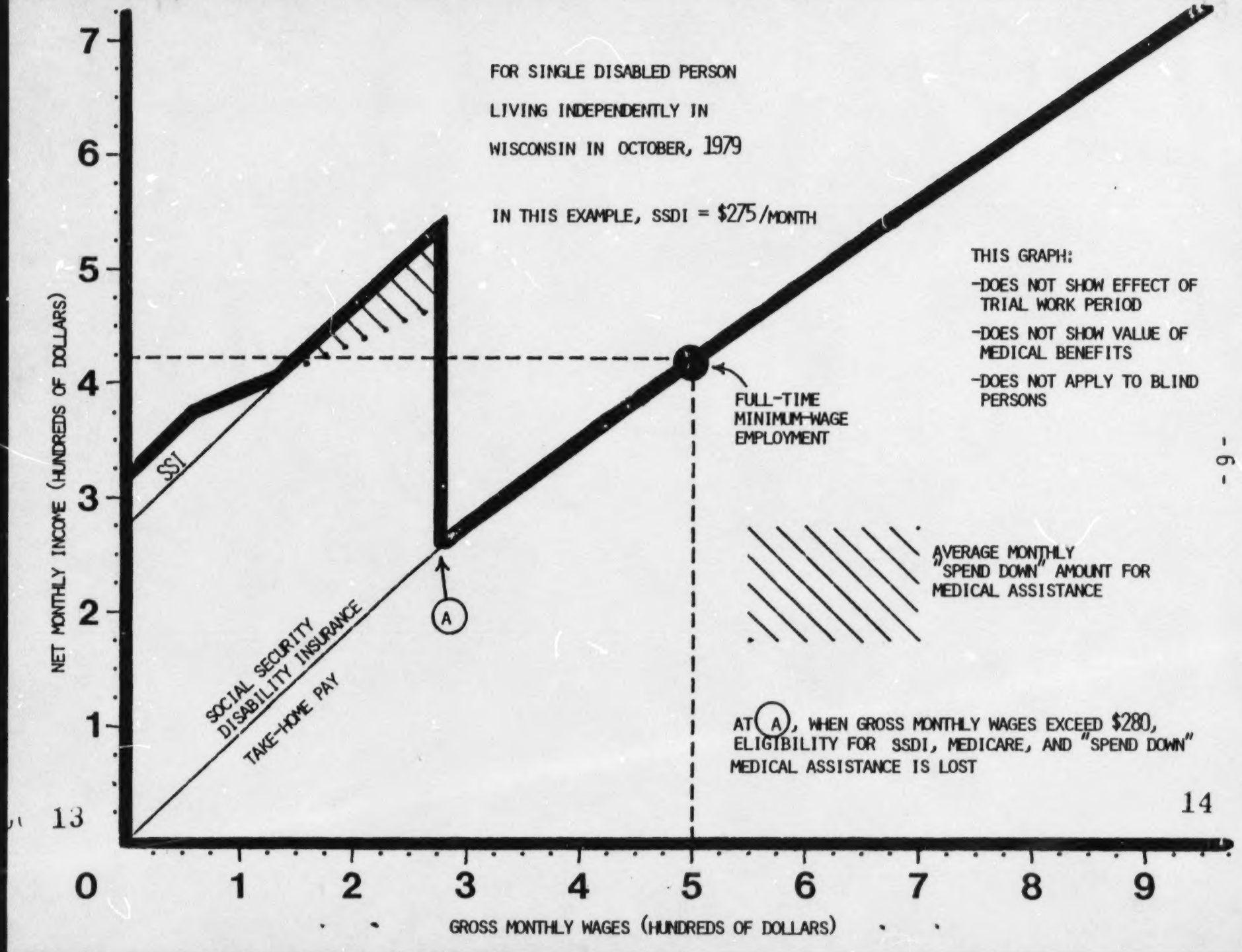
FOR SINGLE DISABLED PERSON
LIVING INDEPENDENTLY IN
WISCONSIN IN OCTOBER, 1979
IN THIS EXAMPLE, SSDI = $275/MONTH
THIS GRAPH:
-DOES NOT SHOW EFFECT OF TRIAL WORK PERIOD
-DOES NOT SHOW VALUE OF MEDICAL BENEFITS
-DOES NOT APPLY TO BLIND PERSONS
FULL-TIME MINIMUM-WAGE EMPLOYMENT
SSI
SOCIAL SECURITY DISABILITY INSURANCE
TAKE-HOME PAY
A
AVERAGE MONTHLY "SPEND DOWN" AMOUNT FOR MEDICAL ASSISTANCE
AT (A), WHEN GROSS MONTHLY WAGES EXCEED $280, ELIGIBILITY FOR SSDI, MEDICARE, AND "SPEND DOWN" MEDICAL ASSISTANCE IS LOST
NET MONTHLY INCOME (HUNDREDS OF DOLLARS)
GROSS MONTHLY WAGES (HUNDREDS OF DOLLARS)
0
1
2
3
4
5
6
7
8
9

13

14

Chapter One

CATEGORICAL ELIGIBILITY

In social insurance and income assistance programs, there are two basic types of eligibility: financial and categorical.

Financial eligibility criteria are used to ensure that benefits are provided only to people who are financially needy. For this purpose, financial eligibility criteria frequently provide for a sliding scale of benefits so that the greater your financial need, the greater your benefit.

Categorical eligibility criteria are used to ensure that only certain distinct types of people receive benefits. Examples of such categories of individuals would include:

a dependent child who is deprived of parental support
a person age 65 or older
a blind person
a widow
a disabled person
a person with black lung disease

Any given program may have either financial or categorical eligibility criteria, or both. While the Food Stamp program uses only financial criteria, the Social Security Disability Insurance program uses only categorical criteria. The Supplemental Security Income program is an example of a program which uses both financial and categorical eligibility criteria.

This chapter will describe the single categorical definition of disability which is used in all of the following programs:

Social Security Disability Insurance
Supplemental Security Income
Medical Assistance
Medicare

If you are age 65 or older, you do not need to be considered disabled in order to be eligible for OASDI, SSI, MA, or Medicare. The definition of disability described in this chapter is relevant only for individuals who have not yet attained the age of 65.

The Bureau of Social Security Disability Insurance is the state agency which has responsibility for determining whether a person meets the definition of disability. The Bureau of Social Security Disability Insurance (BSSDI) uses a set of Medical Listings to determine whether your medical condition is of sufficient severity to prevent you from engaging in SGA. The BSSDI will also determine whether you are engaged in SGA, although your local Social Security office is also authorized to made SGA determinations. The BSSDI is located in the City of Madison.

In order to be eligible for disability benefits under the Social Security Act, you must have a medical impairment which prevents you from engaging in Substantial Gainful Activity. Under the Definition of Disability which is in the Social Security Act, the persons who engage in Substantial Gainful Activity (SGA) are no longer considered to be disabled, regardless of whether they still have a medical impairment. Exceptions to this rule are described elsewhere in this chapter.

1.1 MEDICAL RECOVERY

If you recover from your medical impairment, your eligibility for disability benefits will be terminated. If your medical condition improves so that you become capable of Substantial Gainful Activity, your eligibility will be terminated regardless of whether you are actually performing SGA. The effective date of your recovery can be retroactive. For example, the BSSDI could review your case and decide that you recovered from your disabling medical condition several months earlier. In this event, you could be expected to pay back any cash benefits you incorrectly received during the several months following your recovery. However, you would not ordinarily be expected to pay back any medical benefits you may have received during that period of ineligibility, except in a case of deliberate fraud. Also, in the event that you receive such an overpayment of benefits, you can request that the overpayment be waived, or set aside, so that you will not be required to pay it back. In any event, if you have reason to believe that changes are occurring in your medical condition, it is possible that you have already lost your eligibility for disability benefits, even though you are still receiving payments at this time. Do not forget that you have an obligation to report improvements in your medical condition to your local Social Security office and/or your County Department of Social Services.

1.2 SUBSTANTIAL GAINFUL ACTIVITY

You are engaged in Substantial Gainful Activity whenever you earn more than $280.00 in gross wages during a calendar month. The Social Security Administration (SSA) uses an "earnings test" to decide whether you are engaged in Substantial Gainful Activity (SGA). Effective January 1, 1979, the SGA earnings test has been set at $280.00 in gross monthly earnings. Persons who earn more than this amount will ordinarily be considered to be engaged in SGA. Persons who engage in SGA are no longer considered to be disabled. Persons who are no longer disabled are not eligible for disability benefits. Important exceptions to these rules are described elsewhere in this chapter.

The SGA earnings test changes from time to time. As the earnings level of workers in the national economy generally rise over time, the SSA makes occasional adjustments in the SGA earnings test. As the following list shows, the SGA earnings test has been changed several times:

Calendar Year	SGA Earnings Test
1960-1965	$100.00
1966-1967	$125.00
1968-1973	$140.00

Calendar Year	SGA Earnings Test
1974-1975	$200.00
1976	$230.00
1977	$240.00
1978	$260.00
1979	$280.00

Because the SGA earnings test changes occasionally, you may wish to contact your local Social Security office to be sure that you know what the current SGA earnings test amount is.

The SGA earnings test for blind people is different than the SGA earnings test for people with other disabilities. The SGA level for blind people in the SSDI and Medicare programs is different from the SGA level for blind people in the SSI and MA programs.

In SSI and MA, there is NO SGA level for blind people. As long as a person is blind, he or she is still considered to be disabled regardless of the amount of that individual's gross monthly wages. In these cases, categorical eligibility is based solely upon medical evidence of blindness.

In the SSDI and Medicare programs, there IS a SGA earnings test for blind persons. Beginning in 1978, the SGA level for blind persons became different than the SGA level for persons with other disabilities. The SGA level for blind persons is specified in the Social Security Act as follows:

Calendar Year	SGA Earnings Test
1978	$334.00
1979	$375.00
1980	$417.00
1981	$459.00
1982	$500.00

In addition, if a blind individual has attained the age of 55, an even more liberal definition of disability is applicable. Ordinarily, an individual's medical impairment must be:

> "of such severity that he is not only unable to do his previous work but cannot, considering his age, education, and work experience, engage in any other kind of substantial gainful work which exists in the national economy, regardless of whether such work exists in the immediate area in which he lives, or whether a specific job vacancy exists for him, or whether he would be hired if he applied for work".

However, a blind person, aged 55 or over, is considered to be disabled if he or she is unable:

> "by reason of such blindness to engage in substantial gainful activity requiring skills or abilities comparable to those of any gainful activity in which he has previously engaged with some regularity and over a substantial period of time".

In the SSDI program, the SGA earnings test for disabled widows and widowers, and disabled surviving divorced wives, is more restrictive than the SGA earnings test for other SSDI beneficiaries. In these cases, individuals who earn any wages will no longer be considered disabled. You must be age 50 or older in order to be receiving SSDI benefits as a disabled widow or widower, or as a disabled surviving divorced wife.

The SGA earnings test consists of upper and lower levels. If your earnings are below the lower level, this will ordinarily mean that you are not engaged in SGA. If your earnings are above the upper level, this will ordinarily mean that you are engaged in SGA. But if your earnings fall between the upper and lower levels, you MAY BE engaged in SGA, depending upon whether the work you perform "is comparable to that of unimpaired individuals in the community engaged in similar occupations as their means of livelihood, or if the work is worth more than" the upper SGA level "according to pay scales in the community."

For 1979, the lower level of the SGA earnings test is $180.00 in gross monthly wages. In 1979, if you earn between $180.00 and $280.00 a month, you are in a "gray area" where the SSA could decide that you are engaged in SGA. There are two major exceptions to this guideline, however. If you are blind, or if your earnings are derived from employment in a sheltered workshop, earnings below the upper level of the SGA earnings test will ordinarily mean that you are not performing SGA. In these cases, there is no lower level in the SGA earnings test.

Because of some confusion which has occurred in the administration of Wisconsin's Medical Assistance program, there are some Wisconsin MA recipients who do not currently receive SSI or SSDI payments, who should pay special heed to the following:

UNDER CURRENT LAW, PERSONS WHO ENGAGE IN SUBSTANTIAL GAINFUL ACTIVITY ARE NOT ELIGIBLE FOR MEDICAL ASSISTANCE ON THE BASIS OF A CLAIM OF DISABILITY.

You are not required by the Social Security Act to work at your full vocational capacity in order to be eligible for disability benefits. Even though you may be capable of earning more than the SGA level, you may deliberately keep your earnings below SGA, if you so desire. However, it is important to remember that an improvement in your medical condition could nevertheless cause you to lose your eligibility for disability benefits.

The SGA earnings test is based on the gross wages you EARN during a calendar month. The SGA earnings test is not based on the gross wages you are PAID during a calendar month. If you have reason to believe that your earnings are near the SGA level, be sure to look at your earnings for payperiods rather than paydays. For example, if you were paid on July 5 for work you performed during the month of June, you earned your wage in June, not July.

The SGA earnings test is based upon the FAIR MARKET VALUE OF YOUR LABOR. If your wages are more than the fair market value of your labor, your "extra" wages, or wage subsidy, can be disregarded for purposes of SGA. By the same token, if your wages are less than the fair market value of your labor, the fair market value of the work you perform can be counted for purposes of SGA, instead of your actual wages. If there is a question regarding whether you are being paid a fair market wage for your labor, the SSA has special procedures for resolving that question for purposes of the SGA earnings test.

The value of any income-in-kind which you earn will be added to your wages in determining whether you are performing SGA. The fair market value of any income-in-kind which your employer provides in exchange for your services as an employee should be counted toward the SGA earnings test. Examples of income-in-kind would include free meals, rent-free housing, or the personal use of an automobile.

There are certain work expenses which may be deducted from your wages in determining whether you are performing SGA. A work expense must meet all of three conditions before it can be deducted for purposes of SGA.

1. The expense occurs if, and only if, you are working, and
2. The expense occurs because you have a disabling impairment, and
3. The expense is one which you pay out of your pocket

For example, you may require special transportation to your place of employment. The extent to which your transportation costs exceed the transportation costs of an unimpaired individual can be deducted for purposes of SGA, if you are the one who pays those extra transportation costs. If someone else pays for your special transportation (i.e. MA), no portion of the cost of providing that transportation can be deducted from your earnings for purposes of SGA.

In the case of an individual who is self-employed, SGA is based upon the economic effect of the individual's services on the business, regardless of whether an immediate income results from such services. A self-employed individual is a person who renders services which are significant to the operation of a business in which he or she is an owner or partner. If a self-employed individual's net income from his business exceeds the SGA earnings test, he or she will be found to be performing SGA. However net income below the SGA level does not result in a presumption that SGA is absent. If the individual's work activity and/or earnings are comparable to that of unimpaired individuals in the community engaged in similar businesses; OR if the individual's work activity would be worth more than the SGA level when compared to the salary an owner would pay to an employee for similar work, a finding of SGA can result even if the self-employed individual receives less than the SGA level in net income from the business.

The SSA will not give any assurances in advance regarding the possible effect of contemplated work upon your disability status. The SSA's policies explicitly prohibit a local Social Security office or the BSSDI from making any promises or advance determinations regarding how your employment will effect your eligibility for disability benefits. The SSA's decisions regarding your eligibility will be based upon the facts of your case at the time you actually begin a new job.

The SGA earnings test is based upon TAXABLE wages and compensation. If you receive fringe benefits as an employee, such as health insurance, life insurance or a pension plan, these fringe benefits are not included as wages in the SGA earnings test since they are usually non-taxable.

1.3 TRIAL WORK PERIOD (TWP)

During a month of Trial Work, you are still considered to be disabled even if your earnings exceed the SGA level.

When you first became eligible for SSDI or SSI, you also became eligible for up to nine (9) months of Trial Work. However, depending upon subsequent events, your TWP may be less than nine months.

There is no TWP in the MA program. However, MA recipients who are still receiving SSI or SSDI payments under the TWP provisions of those programs will not lose their eligibility for MA until their SSI or SSDI payments are actually discontinued.

There is no TWP in the SSI program for blind persons. Since there is no SGA level which applies to them, blind SSI recipients do not need, and would not benefit from, a TWP.

There is no TWP in the SSDI program for disabled widows or widowers, or disabled surviving divorced wives.

Any calendar month in which you earn $75.00 or more in gross wages will be counted as one of your nine months of Trial Work. Consequently, it is possible to use up your entire TWP before your earnings ever exceed the SGA level. If you have been working in a sheltered workshop, or if you have been working part-time, you may have already exhausted all, or part of, your TWP even though your earnings have never exceeded the SGA level. Your months of Trial Work do not need to be consecutive.

If you recover from your medical impairment, your eligibility will be terminated, regardless of whether you are in a month of Trial Work. Your TWP may be less than nine months if you recover medically from your disability. The fact that you are in a month of Trial Work does not protect you from the possibility that your eligibility may be terminated on the basis of medical evidence.

If you engage in SGA during your TWP, your eligibility may be terminated when your TWP is completed. The fact that you are in a month of Trial Work when you engage in SGA does not protect you from the possibility that your eligibility may be terminated as soon as your TWP is exhausted.

EXAMPLE: Elaine Collins completed the TWP in March when she was laid off, along with other employees. She had performed her work satisfactorily at an SGA level and her impairment would not have prevented her from continuing. Under these circumstances, cessation as of April would be correct.

Generally, you are eligible for only one TWP. You will be eligible for a second nine-month TWP only if you recover from your disability and then become disabled a second time. In the SSDI program, there is the added requirement that your second disability must start more than five years after the end of your first disability.

Otherwise, you are eligible for only one TWP in your entire lifetime.

If you have used up your TWP, you can still be considered disabled, provided that your earnings are below the SGA level. Many people are still eligible for disability benefits even though they have used up their TWPs. You are still considered to be disabled as long as the SSA is convinced that you have a medical impairment which prevents you from doing SGA. Whether or not you have used up your TWP makes no difference, provided that your earnings are below the SGA level.

If you want to determine how many months of Trial Work you have left, take the following steps:
If you wish, you can ask your local Social Security office to determine how many months of Trial Work you have left. It may take them some time to calculate this for you because they do not keep this information readily available. If you decide to check for yourself to see how many months of Trial Work you have left -

1. If you are receiving SSDI payments, check to see if your eligibility for SSDI has ever been interrupted for a period of time less than five years in length. If so, you are NOT eligible for a TWP in the SSDI program.

2. If your SSDI eligibility has never been interrupted for less than five years, or you are eligible for SSI, or both, your next step is to determine the starting month of your TWP. The starting month of your TWP will ordinarily be the first month for which you received a disability benefit payment during your current period of disability.

   If you are eligible for SSDI, however, there is a possible exception to this rule. In the SSDI program, it is possible that you received benefit payments for months prior to the month in which you submitted your application for SSDI benefits. In other words, you may have received a retroactive benefit. If this occurred, the starting month of your TWP is the month in which you applied for SSDI rather than the month for which you received your first disability benefit payment.

   If you are eligible for both SSI and SSDI, be alert to the possibility that the starting month of your SSI TWP may be different than the starting month of your SSDI TWP. If this is the case, the number of months of Trial Work you have left in the SSI program may be different from the number of months of Trial Work you have left in the SSDI program.

3. After you have determined the starting month for your TWP, check your gross earnings for each calendar month, starting with the current month and going backwards in time. Starting with today's month, count all of those calendar months in which you earned $75.00 or more in gross wages. Be careful. You want to count months in which you earned at least $75.00 regardless of when you were actually paid that amount. If you are reviewing your paycheck stubs, look at the payperiods rather than the paydays. For example, if you were paid on July 5 for work you did during the month of June, you earned that money in June, not July.

4. Continue counting your TWP months backwards in time, but do not continue counting any months beyond a) the ninth TWP month or b) January, 1979, or c) the starting month of your TWP:

   a. The ninth month in which you earned $75.00 or more. Once you have counted this ninth month, you know that your TWP is exhausted. There is no need to count any further.

   b. January, 1979
   If you have counted back to January, 1979, and you still have not used up nine months of Trial Work and you still have not reached the starting month of your TWP, you must continue counting months back in time. However, starting with the month of December, 1978, any month in which you earned $50.00 or more in gross wages must now be counted as a month of Trial Work. Starting with December, 1978, continue counting your months of Trial Work backwards in time until you count the ninth month of Trial Work, or you reach

   c. The starting month of your Trial Work Period - (the date you determined in step 2).
   If you have reached the starting month of your TWP, and you have counted less than nine months which can be counted as months of Trial Work, subtract your count from nine (9). The result is the number of TWP months you have left.

Your categorical eligibility for SSDI and SSI benefits will continue through the two months which immediately follow the calendar month in which your disability is considered to have ceased. Your disability will cease during a calendar month. It may be the month in which you completed a sufficient recovery from your medical condition. It may be the first month in which you engaged in SGA after your TWP was exhausted. Regardless of whether you have recovered medically, or entered SGA, you are still categorically eligible for SSDI or SSI during the month in which your disability ceased. In addition, your categorical eligibility will continue for the next two months.

Therefore, it is possible for you to receive disability payments for each of twelve months in which your earnings are above the SGA level: the first nine months could be covered by the TWP (if you have not used up your TWP on earnings below the SGA level), the tenth month would be the month in which your disability would cease,

and during the eleventh and twelfth months you would receive your final benefit payments. If you are an SSI recipient, however, you will receive SSI payments during these twelve months only as long as you still meet the financial eligibility criteria of the SSI program. See the section in the next chapter which describes the SSI program.

1.4 UNSUCCESSFUL WORK ATTEMPT

An "unsuccessful work attempt" is an effort to do SGA which was discontinued by the individual because of impairment or because of the removal of conditions essential to further work performance.

SGA which occurs during an unsuccessful work attempt is ignored for purposes of determining whether an individual is still disabled. This will be particularly important for you if you are trying to get back your disability benefits after an unsuccessful work attempt. You are not necessarily eligible for benefits for the months in which you were working, but if your work attempt ends in failure, the "unsuccessful work attempt" concept can help you get your eligibility back starting with the first month in which your earnings fall back below the SGA level.

Ordinarily, a period of substantial work carried on for more than six months will be regarded as successful regardless of the reason for its termination. Exceptions to this rule are possible in the event of unusual circumstances.

A period of substantial work carried on for more than three months but less than six months will not be considered an unsuccessful work attempt unless work stopped due to impairment or the removal of conditions essential to further performance; and

a) there were frequent absences due to impairment, or
b) the work was unsatisfactory due to impairment, or
c) the work was done under special conditions, or
d) the work was done during a period of temporary medical remission of the impairment.

A period of substantial work carried on for three months or less will not be considered an unsuccessful work attempt unless work stopped due to impairment or the removal of conditions essential to further performance. Thus, work which lasts three months or less is more easily regarded as "unsuccessful" than work which lasts longer.

In the event that the SSA decides that you have had an "unsuccessful work attempt", 1) your current period of disability could be continued, or 2) you could begin a new period of disability. A continuance of your current period of disability could be a very different from a new period of disability.

If you are a SSI recipient, a new period of disability would mean that you would be eligible for a new nine month TWP. But if your current period of disability is simply continued, you will not be eligible for any more months of Trial Work.

If you are a SSDI recipient, a continuance of your current period of disability would mean that you would retain any of the 24 consecutive months of SSDI eligibility which count toward your eligibility for Medicare. But if you begin, instead, a new period of disability, you must wait another 24 months before you can be eligible for Medicare.

If your "unsuccessful work attempt" contains more than three months of SGA which occurred outside of your TWP, you will ordinarily begin a new period of disability.

If your "unsuccessful work attempt" contains up to, but no more than, three months of SGA which occurred outside of your TWP, your current period of disability will ordinarily continue.

1.5 REHABILITATION AND TREATMENT

Your eligibility for SSDI and/or SSI can be terminated if you refuse to accept vocational rehabilitation services without just cause. If the Wisconsin Division of Vocational Rehabilitation offers to provide services to you which could enable you to engage in SGA, you are required to accept those services (including a vocational evaluation) unless you have a good reason for refusing to cooperate.

If you refuse rehabilitation services because the rehabilitation plan which is offered does not include an employment objective which would yield enough wages to offset the loss of your disability benefits, you will be refusing rehabilitation services without just cause, in the opinion of the SSA.

Although not all inclusive, the following are examples of circumstances which would be considered good cause for refusal to accept vocational rehabilitation services.

1. You are already participating in a rehabilitation program which will prepare you for SGA.

2. You are physically or mentally incapable of accepting the services which have been offered.

3. You have been offered services which would require you to be away from home for so long that your absence would adversely affect the welfare of other members of your family.

4. You belong to a religious group which depends upon spiritual means to treat medical impairments. This is not, however, good cause for refusing diagnostic and evaluative services or vocational education and training.

Your eligibility for MA cannot be terminated because you refuse to accept rehabilitation services. The DHSS does not enforce a rehabilitation requirement.

1.6 SHELTERED WORKSHOP EARNINGS

If your participation in a sheltered employment program is occurring under a rehabilitation plan which:

1. intends to rehabilitate or train you for placement in employment outside of the workshop, AND
2. has a specific tentative ending date,

your participation in the sheltered workshop program does NOT constitute an employee-employer relationship and, consequently, your wages:

1. are considered by the SSA to be unearned income
2. are NOT subject to FICA deductions (6.13%)
3. CAN cause you to use up your TWP
4. DO count toward the SGA earnings test

If your participation in a sheltered employment program is occurring under a rehabilitation plan in which:

1. your employment outside of the workshop is not considered to be feasible, or
2. there is no tentative ending date, or
3. you are still in the workshop because outside employment is not yet available,

your participation in the sheltered workshop program DOES constitute an employee-employer relationship and, consequently, your wages:

1. are considered by the SSA to be earned income,
2. are subject to FICA deductions (6.13%)
3. can cause you to use up your TWP
4. count toward the SGA earnings test

Ordinarily, the SSA will assume that your participation in a sheltered workshop program constitutes an employee-employer relationship. However, if you question the existence of an employee-employer relationship, you can contact your local SSA office.

If you are an SSI recipient, your SSI benefits may be reduced if the SSA converts your wages from earned income into unearned income. See the section in the next chapter which describes the SSI program.

Chapter Two

THE VALUE OF ELIGIBILITY

If the information contained in the first chapter of this handbook leads you to believe that your contemplated work activity will cause you to lose your categorical eligibility for disability benefits under the Social Security Act, your next step in making a decision regarding whether you can afford to work will be to assess the value of the eligibility you will lose.

This chapter is divided into four sections which separately describe SSDI, SSI, MA and Medicare benefits.

2.1 SOCIAL SECURITY DISABILITY INSURANCE (SSDI)

When you lose your eligibility for SSDI, your spouse and your children will also lose their eligibility for any SSDI payments they receive because they are your dependents. Other members of your family may be receiving SSDI payments, not because they are disabled, but because you are. They may be covered as:

1. A spouse age 65 and over
2. A disabled adult child
3. A spouse age 62 to 64
4. A child under age 18
5. A student age 18 to 21 - (in some cases, benefits are paid after age 22)
6. A wife with children

In the event that you are no longer disabled, these dependents may still be eligible for SSI or other Social Security benefits drawn from another insured worker's account. But they will no longer be eligible for benefits drawn from your account.

When you lose your eligibility for SSDI, you will also lose your eligibility for Medicare. If you have been eligible for SSDI for 24 consecutive months, you are also automatically eligible for Medicare. If you are currently eligible for SSDI, but do not yet have a Medicare card, you are accumulating the 24 consecutive months of SSDI eligibility you need in order to become eligible for Medicare. In this case, Medicare is a potential benefit which you may soon acquire, but which will be lost if your SSDI eligibility is terminated.

In the event that you 1) lose your eligibility for SSDI and Medicare for a period of time, and then 2) enter a new period of disability and 3) become eligible for SSDI again, you must once again accumulate 24 consecutive months of SSDI eligibility before you will become eligible for Medicare again.

See the section in this chapter which describes the benefits of the Medicare program.

When you lose your eligibility for SSDI, you will also lose your eligibility for MA. As a SSDI beneficiary, you are categorically eligible for MA. In addition to being categorically eligible, you may also meet the financial eligibility requirements of the MA program, depending upon the amount of your income and resources and the amount of your medical expenses. If and when your medical expenses are high, you may be eligible for MA under the "spend down" provision. However, when you lose your eligibility for SSDI, you will no longer be eligible for MA, regardless of how great your medical expenses might be or become.

See the section in this chapter which describes the benefits of the MA program.

In the SSDI program, benefit payments are "all or nothing". There are no partial SSDI benefit payments. As long as you are categorically eligible, you will receive the full amount of your usual SSDI payment. During your TWP, you will receive the full amount of your usual SSDI payment. During the calendar month in which your disability ceases, and during the two calendar months immediately following the calendar month in which your disability ceases, you will receive the full amount of your usual SSDI payment.

You are not required to pay income taxes on the benefits you receive from the SSDI program.

As a SSDI beneficiary, you are guaranteed a cost-of-living increase each year. The SSDI cost-of-living increase effective July, 1979 was 9.9%.

In assessing the value of your SSDI eligibility, take into consideration the earnings you can have without loss of eligibility. Earnings below the SGA level can be used to supplement your SSDI payments. When taken together, these wages and your SSDI payments may give you more net income than you would have if you were to earn more than the SGA level.

EXAMPLE: Elaine Collins is receiving $407.00 a month in SSDI payments. She is offered a full-time, minimum-wage job. Her gross monthly wage would be $500.00. Her take-home pay would be $407.00. If she accepts the job, her earnings will be over the SGA level, she will lose her SSDI eligibility, and she will "break even" financially. Elaine turns down the job offer. She realizes that if she works part-time instead of full-time, she can actually improve her financial situation instead of just breaking even. If she works 14 hours a week at the minimum wage, her gross monthly wage will be $175.00 and her take-home pay will be $165.00. Because her gross earnings will be below SGA, she can expect to retain her SSDI eligibility (provided that there is no improvement in her medical condition). When she adds her SSDI payments of $407.00 to her part-time net wage of $165.00, her total income will be $572.00. Since this is an improvement over $407.00, Elaine decides to look for part-time employment instead of full-time employment.

2.2 MEDICARE

If you have been eligible for SSDI for 24 consecutive months. you are also automatically eligible for Medicare. Medicare consists of two parts:

Part A is Hospital Insurance
Part B is Medical Insurance

If you wish to participate in Part B, you must pay a small monthly premium ($8.70 per month, effective July, 1979). This premium is ordinarily deducted directly from your monthly SSDI payment if you decide to participate in Part B.

Non-disabled members of your family who receive SSDI payments because they are your dependents are not eligible for Medicare coverage.

Hospital Insurance covers the following benefits:

a) Hospital patients: For each day (up to a maximum of 90) in any "benefit period", hospital insurance covers almost all hospital costs except the first $160.00 and a charge of $40.00 a day for the 61st through the 90th days of hospitalization. In addition, you have a lifetime reserve of 60 days of hospital care after you exhaust the 90 days to which you are entitled during a benefit period, but you pay a charge of $80.00 a day for each of these lifetime reserve days used.

Covered costs include those for bed and board in two to four-bed rooms (or private rooms if medically required), nursing services (except private-duty nursing), the usual drugs and supplies furnished hospital patients, and other diagnostic services or kinds of treatment furnished inpatients by the hospital (or under arrangements made by the hospital). The doctor's services to you are usually not covered under the hospital insurance part of Medicare, unless he is a student intern or resident-in-training.

Tuberculosis hospitals, psychiatric hospitals, and Christain Science sanatoriums are covered, together with general hospitals, but psychiatric hospital benefits are subject to a lifetime limit of 190 days.

b) Post-hospital extended care: After at least three consecutive days in a hospital, hospital insurance also covers post-hospital care in a qualified "skilled nursing facility" (such as a skilled nursing home or a special wing or ward of a hospital) for up to 100 days in any benefit period. The patient, however, pays a charge of $20.00 a day for each day of care over 20 in a benefit period. Generally, to qualify for extended care benefits you must be admitted to the facility, for further treatment of a condition for which you were hospitalized, within 14 days after your hospital discharge. This 14-day limit can be extended in the case of certain illnesses or injuries, or when there is a lack of bed space for patients in the area.

Facilities treating mostly mental or tuberculosis patients cannot qualify, and there is a special 30-day limit, with a $20.00 per day charge for extended care in a Christian Science sanatorium. "Custodial" care in a nursing home is not covered. You must be in need of skilled nursing care and/or skilled rehabilitation services on a daily basis to qualify for this benefit. Generally, only costs of a kind that would be covered if furnished to a hospital inpatient are covered during a stay in a skilled nursing facility.

c) Home health services: After you are discharged from a hospital in which you stayed at least three days, or after discharge from a skilled nursing facility, hospital insurance covers the costs of up to 100 home health visits, if they occur before the beginning of a new "benefit period." These visits must occur within one year after discharge from the hospital or (if later) from the skilled nursing facility. Also, they must be made under a plan established by your doctor within

14 days after discharge from the hospital or facility. Home health services include such items as intermittent nursing care; physical, occupational, or speech therapy; the part-time services of a home health aids; and medical supplies (but not drugs). These services must be provided at home, except that when specialized equipment is used the individual may go to a hospital or skilled nursing facility for treatment.

d) Meaning of "benefit period.": Generally, the limitations on hospital and post-hospital extended care are figured for a period of time called a "benefit period", although the technical name is "spell of illness." A "benefit period" begins with the first day on which you are eligible for Medicare and are furnished inpatient hospital or extended care services, if this day was not in a previous "benefit period," and ends when you have been out of a hospital and out of a skilled nursing facility for 60 consecutive days. You pay the deductible only once in each "benefit period."

Example: John is 65, is entitled to old-age benefits, and is hospitalized on June 1, 1978. He remains in the hospital for 30 days and is then transferred to a skilled nursing facility for 50 days, after which he is discharged to his home. John's "benefit period" begins on June 1, 1978, and ends on October 17, 1978, 60 days after he left the nursing facility. (The 60-day count begins with the day of discharge from the nursing facility).

Medical Insurance covers the following benefits:

Under this plan the federal government usually pays 80% of the reasonable costs or charges for covered services (except for the first $60.00 each year, called the "deductible") and 100% of the reasonable charges of a radiologist or pathologist for services to hospital inpatients.

There are some special limits on payments for medical insurance benefits, in addition to those given above. Thus, coverage for the expenses of physical therapy services in the therapist's office or the patient's home is limited to $100.00 a year; home health services covered under medical insurance are paid for by the government on a 100% basis, after the patient has paid his $60.00 deductible; and in certain cases the government pays 100% of the charges for diagnostic laboratory bills Medicare at a rate previously negotiated with the government.

There is also a special limit on expenses connected with the mental disorders of a person not in a hospital.

Example: Mary spends twenty days in the hospital in 1978 for emergency surgery and recovery. In addition to her hospital costs (covered under hospital insurance after she paid the hospital deductible), she had the following reasonable charges for covered expenses, her first under Medicare: surgeons' fees, $600.00; ambulance services, $25.00; X-rays at a clinic following hospital discharge, $55.00. Of the $680.00 total, Mary pays $60.00 plus $124.00 (20% of the remaining $620.00), or $184.00. Medicare pays the rest.

The deductible is applied on a yearly basis, but expenses for the last three months of one year, if applied toward the deductible for that year, are also counted toward the deductible in the next year.

Kinds of benefits: The kinds of services covered under medical insurance are as follows:

1. Doctors' services, wherever furnished, including surgery, consultation, and home, office and institutional calls. (Dentists are

included when performing certain dental surgeon functions; podiatrists (foot doctors) are included, but routine foot care is excluded; optometrists are included when establishing the medical necessity of prosthetic lenses.)

The services of chiropractors meeting certain standards are covered, but only for treatment involving manipulation of the spine to correct a condition (called a "subluxation") demonstrated to exist by X-ray.

2. Home health services for up to 100 visits a year, without a requirement of previous hospitalization.

3. Medical and other health services, including:

   a) Diagnostic X-ray and laboratory tests and other diagnostic tests, including certain X-ray tests in the home,

   b) Diagnostic services in the outpatient department of a hospital,

   c) X-ray and other radiation therapy,

   d) Services and supplies (including drugs you can't take yourself) furnished in connection with the doctor's services, if commonly furnished in his office, and hospital services connected with the doctor's services to outpatients,

   e) Surgical dressings, splints, casts, and similar devices,

   f) Durable medical equipment (whether rented or bought), such as iron lungs, oxygen tents, hospital beds, walkers, crutches, and wheelchairs, for use in the home,

   g) Artifical devices (other than dental), such as pacemakers, that replace all or part of an internal body organ; colostomy bags and related supplies are also covered,

   h) Ambulance services (when the patient's condition rules out other kinds of transportation),

   i) Braces and artifical legs, arms and eyes,

   j) Physical therapy furnished outpatients or inpatients by certain approved institutions and public agencies; and therapy in the home or in the office of an independently practicing therapist,

   k) Speech pathology services furnished outpatients by certain approved institutions and public agencies,

   l) After February 1978, services in qualified rural health clinics performed by licensed nurses and physician assistants, plus similar services to homebound patients in certain areas,

m) Certain hospital and skilled nursing facility services (mainly X-ray and laboratory services) furnished in-patients not qualified for payment under Hospital Insurance.

Whenever you file a Medicare claim, you will receive an "Explanation of Benefits" (EOB). Your EOB shows those medical services and charges Medicare is actually covering for you.

If you have lost your EOB, you can obtain a new EOB by contacting:

For Part A (Hospital Insurance): your local SSA Office

For Part B (Medical Insurance): Wisconsin Physicians Service (WPS)
1717 West Broadway
Madison, Wisconsin 53713
(608) 221-4711

2.3 SUPPLEMENTAL SECURITY INCOME (SSI)

The SSI program has financial eligibility criteria. In order to be eligible for SSI, you must be categorically eligible and you must also meet certain financial income and resources criteria. These financial eligibility criteria are also used to determine the amount of your monthly SSI payments.

Because of the financial eligibility criteria of the SSI program, it is possible for an increase in your wages to cause you to lose your eligibility for SSI before your earnings reach the SGA level. Although this can happen, it is not necessarily to your disadvantage. Unless your work expenses are unusually high, you will generally find that it is to your financial advantage to earn as much money as you can until your earnings reach the SGA level, even if you lose your eligibility for SSI!

If you lose your financial eligibility for SSI, your eligibility for MA will change, but it will NOT be lost, provided that you are still considered to be disabled. Anyone who is eligible for SSI is also automatically eligible for MA. When the SSA decides that you are eligible for SSI, they simply report this to the DHSS and the DHSS then issues your MA card. If you lose your financial eligibility for SSI, the SSA will also report this to the DHSS and the DHSS will then stop your MA card.

However, as long as the BSSDI still considers you to be disabled, you are still eligible for MA under the "spend down" provision. The "spend down" provision allows you to be eligible for MA if you meet the SSI financial eligibility criteria when your medical expenses are subtracted from your income. For more information on how the "spend down" provision works, see the section in this chapter which describes the benefits of the MA program.

The SSA does not decide whether you are eligible for MA under the "spend down" provision. Instead, your local County Department of Social Services(CDSS) will make this determination. Therefore, if you want MA coverage under the "spend down"

provision, you must contact your CDSS. Do not forget that you must still be considered disabled. The CDSS will either ask you to show them evidence that you are receiving SSDI payments, or they will ask the BSSDI to determine whether you are disabled.

A Brief Description of SSI Financial Eligibility Criteria:

Basic Allowance: Each SSI recipient is assigned a basic allowance. There are several MONTHLY basic allowances, as shown below, effective October 1, 1979:

Eligible Individual in own household	$300.90
Eligible Couple in own household	$462.00
Eligible Individual in own household with an Ineligible Spouse	$347.10
Developmentally Disabled Individual in a Group Home with eight or fewer residents	$391.60
Eligible Individual in an Institution	$ 25.00

The dollar amounts show above apply only to persons residing in the State of Wisconsin.

NOTE: If you are living with an ineligible spouse, or if you are a child(under age 18) living with your parents, or if you are a student age 18 through 21, some of the income and resources of your spouse or parents may be deemed to be available to you. The basis for deeming lies in the concept that husband and wife, parents and children, who are living together generally have a responsibility for each other and share income and resources. The formula used by the SSA for deeming income is rather complicated and will not be reviewed here. If a portion of your spouse's or your parent's income is deemed to be available to you, your basic allowance will be lower than the amount shown above.

Also, if you are living in the "household of another" and receiving "support and maintenance" from that other person, your basic allowance will be lower than the amount shown above.

If you have reason to believe that the "deeming" provision, or the "household of another" provision applies to you, you can contact your local SSA office to ask what your basic SSI allowance would be if you personally, had no income of any kind. This information will help you obtain a better understanding of how your income (particularly your wages) will affect the size of your SSI payments.

Countable Income: Countable income is income which the SSA will subtract from your basic allowance. If you have no countable income, you will receive monthly payments equal to your basic allowance. But if you have countable income, your monthly SSI payments will be less than your basic allowance.

Earned Income: When the SSA determines what your countable income is, they draw a distinction between earned and unearned income. Your earned income consists of taxable wages and compensation you receive from an employer or from your self-

employment. Not all of your earned income will be counted and subtracted from your basic allowance. Some of your earned income will be ignored or disregarded.

Earned Income Disregard - The SSA will disregard the first $65.00 you earn each month. In addition, one-half of the remaining amount of your monthly wages will be disregarded. For example, if you earn $145.00 during a month, the first $65.00 will be disregarded, leaving a remaining amount of $80.00. In addition, one-half of the remaining $80.00 will also be disregarded, leaving the amount of $40.00 as your countable earned income.

Unearned Income - These are examples of unearned income:

1. Benefits paid by Social Security other than SSI payments. Any money deducted from these payments to pay the premium for Medicare is also counted as unearned income.
2. Annuities
3. Veteran's Payments
4. Worker's Compensation
5. Railroad Retirement Benefits
6. Pensions
7. Gifts and Inheritances
8. Support and Alimony Payments
9. Dividends and Interest

Not all of your unearned income will be counted and subtracted from your basic allowance. Some of your unearned income will be disregarded.

General Income Disregard - The SSA will disregard the first $20.00 of your total monthly unearned income.

If you have less than $20.00 of unearned income, the remaining amount of your general income disregard will be added to your earned income disregard. For example, if your unearned income is $15.00 per month, your unearned income will be disregarded and an additional $5.00 of your earned income will also be disregarded. In this case, your monthly earned income disregard would be the first $70.00 and one-half of the remainder.

The total amount of unearned income you receive each month in excess of $20.00 is countable income.

EXAMPLE OF HOW SSI INCOME ELIGIBILITY IS DETERMINED:

Larry Jones is not married. He lives in an apartment in a Wisconsin community. His Basic Allowance in the SSI program is $300.90 per month.

Larry's actual monthly SSI payments, however, will be less than $300.90 because he has some countable income. Larry receives monthly SSDI payments of $275.00 after

a deduction of $8.70 for his Medicare premium. His total monthly unearned income is $275.00 plus $8.70, which equals $283.70. Larry also receives $100.00 each month in gross wages from a sheltered workshop.

Earned Income = $100.00

1) $100.00 minus $65.00 = $35.00
2) $35.00 ÷ 2 = $17.50
3) Larry's countable earned income is $17.50 per month

Unearned Income = $283.70

1) $283.70 minus $20.00 = $263.70
2) Larry's countable unearned income is $263.70 per month

Total Countable Income:

$263.70 countable unearned income
plus 17.50 countable earned income
$281.20 = Total Countable Income

Monthly SSI Payment:

$300.90 Basic Allowance
minus 281.20 Countable Income
$ 19.70 = Monthly SSI Payment

Larry is eligible for monthly SSI payments of $19.70

If you want to determine how much you can earn each month before you will lose your SSI, take the following steps:

You can ask your local SSA office to figure out how much money you can earn before you will lose your eligibility for SSI.

If you want to check for yourself to see how much you can earn, you will need two items of information. First, you need to know what your basic monthly SSI allowance is. The second item of information you need is the total monthly amount of your unearned income. If you have recently received a SSI "Notice of Change", that notice will probably show you the information which the SSA has available regarding your unearned income.

Once you have this information handy, you should take the following steps: If your unearned income is more than $20.00 per month:

1. Subtract $20.00 from your monthly unearned income. The remaining amount is your "countable unearned income."
2. Subtract your "countable unearned income" from your basic allowance. The remaining amount is your "adjusted basic allowance."

3. Multiply your "adjusted basic allowance" by 2. Then add $63.00.

4. The result of step 3 is the amount of gross monthly wages you can earn before you will lose your eligibility for SSI, provided that the result of step 3 is less than your SGA level.

5. If the result of step 3 is greater than your SGA level, the result of step 3 is the amount of gross wages you can earn during each month of your TWP. If and when your TWP is exhausted, you can earn up to your SGA level before you will lose your eligibility for SSI.

   Example: -

   Basic Allowance = $300.90, Unearned Income = $250.00

   Step One: $250.00 minus $20.00 = $230.00 (countable unearned income)

   Step Two: $300.90 minus $230.00 = $70.90 (adjusted basic allowance)

   Step Three: $70.90 x 2 = $141.80; $141.80 + $63.00 = $204.80

   Step Four: You can earn $204.80 before SSI stops

   Step Five: Does not apply

If your unearned income is less than $20.00 per month:

1. Subtract your monthly unearned income from $20.00.
2. Add $63.00 to the result of step one
3. Multiply your basic allowance by 2
4. Add the results of steps 2 and 3
5. The result of step 4 is the amount of gross monthly wages you can earn before you will lose your eligibility for SSI, provided that the result of step 4 is less than your SGA level.

6. If the result of step 4 is greater than you SGA level, the result of step 4 is the amount of gross wages you can earn during each month of your TWP. If and when your TWP is exhausted, you can earn up to your SGA level before you will lose your eligibility for SSI.

   Example: -

   Basic Allowance - $25.00, Unearned Income = 0

   Step One: $20.00 minus $0 = $20.00
   Step Two: $20.00 plus $63.00 = $83.00
   Step Three: $25.00 x 2 = $50.00
   Step Four: $83.00 plus $50.00 = $133.00
   Step Five: You can earn $133.00 before SSI stops
   Step Six: Does not apply

Limit on financial resources - In order to be eligible for SSI, you must not only have a limited monthly income, but you must also have limited financial resources. Although you may be able to earn some wages without losing your eligibility for SSI, your wages could still cause you to lose eligibility if you set those wages aside in savings.

The SSI allowable resource limit is $1,500.00 for an individual and $2,250.00 for an eligible couple. For most recipients, financial resources will include cash on hand, cash in savings or checking accounts, stocks, bonds, promissory notes, or certain insurance policies. For additional information regarding those resources which will be counted toward, or excluded from, these limits, you should contact your local Social Security office.

In the SSI program, blind recipients are allowed to deduct work expenses from their earned income for purposes of determining financial eligibility. None of these work expense disregards are available to persons who are not blind. The following list illustrates work expenses which are deducted from the earned income of blind persons before the usual earned income disregard is applied:

1. FICA deductions
2. State income taxes
3. Federal income taxes
4. Transportation - (including cane, guide dog, bus, cab fare or private automobile at .15¢ per mile).
5. Union dues
6. Uniforms and cost of care of uniforms
7. Tools
8. Lunches
9. Child care
10. Licenses and professional fees
11. Prostheses, including a wheelchair
12. Special equipment required to perform work
13. Braille instruction and braille translation
14. Optical aids
15. Safety shoes
16. Job improvement, (e.g. training in key punching, computer programming, steno typing).

Only ordinary and necessary expenses reasonably attributable to the earning of income will be considered work expenses.

Under a "Plan for Achieving Self-Support," you may be allowed to exclude certain income from"countable" income. Also, you may be allowed to exclude certain resources from "countable" resources. Under a "Plan for Achieving Self-Support" you are allowed to set aside income and resources so that, over a reasonable period of time, you may receive occupational training, purchase occupational equipment, establish a business, or otherwise become financially self-supporting.

Under a "Plan for Achieving Self-Support," you are not permitted to exclude any of your wages for purposes of determining whether you are engaged in Substantial Gainful Activity. The exclusion of income and resources under a Plan for Achieving Self-Support applies only to the financial eligibility criteria of the SSI program.

In most cases, a vocational rehabilitation counselor will help you prepare and submit a plan. You may, however, submit a plan by yourself if you so desire. The SSA will not accept a plan which fails to meet certain criteria:

1. It must be in writing
2. It must have a designated occupational objective
3. It must have specific savings and/or planned disbursement goals for a designated occupational objective
4. It must have a specific period of time within which the objective of the plan is to be reached
5. It must provide for the identification and segregation of any money and other resources being accumulated and conserved toward the occupational objective
6. It must be current - (i.e. the time period referred to in item #4 above must not have expired); and the individual must be performing in accordance with the provisions of the plan
7. The plan must be approved by the SSA

If you lose your eligibility for SSI, the State of Wisconsin will no longer pay your Medicare premium for you. If you are eligible for Medicare, you must pay a small monthly premium ($8.70 as of July 1, 1979) in order to receive coverage under Part B of Medicare (Medical Insurance). However, if you are also a SSI recipient, the State of Wisconsin pays your Medicare premium for you as an added benefit.

You are not required to pay income taxes on the benefits you receive from the SSI program.

As a SSI recipient, you are guaranteed annual increases in your basic allowance. Your basic SSI allowance consists of a federal portion and a state portion. For example, in Wisconsin:

	Federal Portion	+	State Portion	=	Basic Allowance
Eligible Individual	$208.20		$ 92.70		$300.90
Eligible Couple	$312.30		$149.70		$462.00

The federal portion of your SSI allowance will receive regular cost-of-living increases each year. Effective July 1, 1979, this year's cost-of-living increase was 9.9%.

The state portion of your SSI allowance may or may not be increased each year, depending on what the state Legislature and the governor decide to do. Effective October 1, 1979, the state portion was increased by 7.5%.

If you reside in an institution, your basic allowance in the SSI program of $25.00 per month appears to be unlikely to be increased. The basic allowance for persons in institutions has stayed at $25.00 per month since 1974.

In assessing the value of your SSI eligibility, take into consideration the earnings you can have without loss of eligibility. Earnings up to the SGA level can be used to supplement your SSI payments. When taken together, these wages and your SSI payments may give you more net income than you would have if you were to earn more than the SGA level.

EXAMPLE: Bill Smith is a developmentally disabled individual who resides in a group home with eight or fewer residents. As such, he is entitled to a basic allowance in the SSI program of $391.60 per month, provided that he meets the financial resource limit of $1,500.00.

Bill is offered a full-time, minimum-wage job. If he accepts the job offer, his gross monthly wage would be $500.00. His take-home pay would be $424.00, and he would lose eligibility for SSI and MA.

Bill turns down the job offer because he realizes that part-time employment, rather than full-time employment, is to his financial advantage. If Bill works 14 hours a week at the minimum wage, for example, his gross monthly earnings will be $175.00 and his take-home pay will be $165.00. Because his gross earnings will be below the SGA level, he can expect to retain his SSI eligibility, since he does not expect to recover from his developmental disability. With gross monthly wages of $175.00, his SSI payment will be reduced to $346.60 per month. Combining his take-home pay and his SSI payments, he will have a net monthly income of $511.60. He will also still be eligible for MA. Since this is an improvement over what he would earn if he works full-time, Bill decides to look for part-time, instead of full-time, employment.

2.4 MEDICAL ASSISTANCE (MA)

It is not possible to purchase health insurance from the private sector which provides benefits comparable to those of the MA program. For a description of MA benefits, see pages 33-36.

Whenever you file a MA claim, you will receive an "Explanation of Benefits" (EOB). Your EOB shows those medical services and charges the MA program is actually covering for you. If you lose one of your EOBs, you can obtain a new one by submitting a written request to the:

Third Party Liability Unit
Bureau of Health Care Financing
Room 325
One West Wilson Street
Madison, WI 53702

The financial eligibility criteria of the MA program are the same as the financial eligibility criteria of the SSI program, with the exception of the MA "spend-down" provision. Instead of a basic allowance of $300.90 for an eligible individual, the MA program has a "countable income limit" of $300.90 for an eligible individual. All the income disregards described in section 2.3 on the SSI program also apply in the MA program. Both the SSI and MA programs have a "Plan for Achieving Self-Support," special work expense disregards for blind persons, and the same limits on financial resources.

Under the MA "spend-down provision" you can be eligible for MA even if you are not eligible for SSI. If your income meets SSI financial eligibility criteria when your medical expenses are subtracted from your income, you can be eligible for MA, under the following conditions:

1. You must meet the BSSDI definition of disability
2. Your "spend-down" period will be six months
3. Your "spend-down" period cannot begin more than three calendar months prior to the month of your application for MA
4. Your "spend-down" amount is equal to six times the difference between your countable monthly income and the following countable monthly income limits:

Family Size	Countable Monthly Income Limit
1 (individual)	$300.90
2 (couple)	$462.00

5. Medical expenses counted toward your "spend-down" amount can include any cost recognized as an allowable benefit of the MA program (see pages 33-36), which you have paid for or which you are obligated to pay for. Only medical expenses which you incurred within the three calendar months immediately prior to the calendar month of your application for MA can be counted toward your "spend-down" amount. The MA program will NOT pay for any of the medical expenses which are part of your "spend-down" amount.
6. Your MA coverage will begin on the calendar day in which you meet the "spend-down" amount for your "spend-down" period.
7. Your MA coverage will end on the last day of your "spend-down" period. You can re-apply for MA during a subsequent "spend-down" period if you have reason to believe that you would qualify.

EXAMPLE OF MA "SPEND-DOWN":

Joe Smith is not married. He lives in an apartment in a Wisconsin community. His countable income limit in the MA program is $300.90 per month.

Joe's countable monthly income exceeds the MA countable monthly income limit. He receives monthly SSDI payments of $354.00. He also earns $150.00 each month in gross wages from a local sheltered workshop. His countable unearned income of $334.00 ($354.00 minus $20.00 = $334.00), plus his countable earned income of $42.50. ($150.00 minus $65.00 = $85.00; $85.00 ÷ 2 = $42.50), brings his total countable monthly income to $376.50. Joe's countable monthly income exceeds the countable monthly income limit by $75.60 ($376.50 minus $300.90 = $75.60).

In order to determine what Joe's "spend-down" amount would be for a six-month "spend-down" period, multiply his excess countable monthly income by six:

$75.60 x 6 = $453.60

In the event that Joe has 1) out-of-pocket medical expenses which exceed $453.60 during his "spend-down" period, and 2) financial resources below the $1,500.00 limit, he would be eligible for MA coverage starting on the first day on which he satisfied his required "spend-down" amount of $453.60. Joe's MA coverage would continue until the last day of his "spend-down" period.

If you wish to apply for MA under the "spend-down" provision, contact your County Department of Social Services.

If you are seeking the financial protection of the MA "spend-down" provision, it is strongly recommended that you submit your application for MA as soon as possible.

By submitting an application, you will establish the start date of your "spend-down" period. Your CDSS will accept your application for MA even though you have not yet satisfied the required "spend-down" amount. Medical expenses which occur after you submit an application can count toward the "spend-down" amount. But medical expenses which were incurred more than three calendar months prior to the month of your application will NOT count toward the "spend-down" amount. For these reasons, it is important to establish your "spend-down" period, by submitting an application, as soon as possible. Because the "spend-down" period is six months long, you may wish to submit an MA application once every six months in order to enjoy the full protection of the "spend-down" provisions of the MA program.

If you reside in an "institution" (a hospital, skilled nursing home, or intermediate care facility), you can be required, under the MA program, to contribute toward the cost of your care. If you are an SSI recipient, you are not required to contribute toward the cost of your care in an institution. However, if you do not meet the financial eligibility criteria for a monthly SSI allowance of $25.00, you can submit an application for MA coverage with your CDSS. Your CDSS will ask you to contribute the following portions of your income toward the cost of your care:

1. All unearned income in excess of $35.00 per month

2. All gross monthly earned income in excess of the first $65.00 and one-half of the remainder, or,

   All gross monthly earned income in excess of the first $85.00 and one-half of the remainder, in the event that you have no unearned income

BENEFIT PROVISIONS OF THE MA PROGRAM

1. INPATIENT HOSPITALIZATION: (a) As needed. No limitations in duration. (b) Semi-private room unless a private room is medically necessary.

2. OUTPATIENT HOSPITAL SERVICES: (a) As needed. (b) Includes physicians' and dentists' services, diagnostic and treatment procedures provided in a hospital clinic or emergency room.

3. CARE IN TUBERCULOSIS INSTITUTION: (a) Persons aged 65 and over. (b) Persons under age 65 have care covered under State Statutes; however, there is no Federal participation.

4. CARE IN A MENTAL INSTITUTION INCLUDING THE STATE MENTAL HEALTH INSTITUTES AND COUNTY OR PRIVATE MENTAL HOSPITALS APPROVED FOR THIS SERVICE: Persons aged 65 and over OR Persons who are under the age of 21 and receiving care at the Mental Health Institute at Winnebago or Mendota or in an inpatient psychiatric hospital OR Persons under the age of 22 who were receiving care at the Mental Health Institute at Winnebago or Mendota or in an inpatient psychiatric hospital immediately prior to reaching the age of 21.

5. SKILLED NURSING HOME SERVICES: (a) Requires a physician's recommendation. (b) Level of care and amount of payment must be based on a plan of care and authorized in advance by the independent medical review team.

6. INTERMEDIATE CARE FACILITIES: (a) Requires a physician's certification at the time of admission or within 60 days of admission. (b) Level of care and amount of payment must be based on a plan of care and authorized in advance by the independent medical review team.

7. ELECTIVE OUT-OF-STATE HOSPITALIZATION: Requires prior authorization of the DHSS Medical Consultant except for those counties bordering another state. This excludes emergency out-of-state hospitalization.

8. PHYSICIANS' SERVICES: (a) As needed, in the physician's office, patient's home, hospital, nursing home or elsewhere. (b) Includes psychiatric services. (c) Includes necessary surgery, x-rays, laboratory procedures, injections and drugs dispensed by the physician. (d) Plastic or cosmetic surgery requires prior authorization by the DHSS Medical Consultant.

9. DENTAL SERVICES: (a) Basic dental care. (b) Other dental care, including dentures, requires prior authorization by the DHSS Dental Consultant. (c) Orthodontia related to personality or psychological problems requires that a psychiatric or psychological report be submitted prior to authorization by the DHSS Dental Consultant.

10. PODIATRISTS' SERVICES: (a) Includes diagnosis and medical, mechanical, surgical or pharmaceutical treatment of the feet and tendons and muscles of the lower leg. (b) Does not include major surgery or use of a general anesthetic.

11. OPTHAMOLOGISTS' AND OPTOMETRISTS' SERVICES: Includes the determination of visual efficiency, measurement of the powers or defects of vision, furnishing or using any device or means designed or calculated to aid in the selection or fitting of eyeglasses, adaptation of lenses or prisms, and mechanical therapy or exercises for ocular muscular imbalance to aid the vision of an individual.

12. CHIROPRACTORS' SERVICES: Must be provided by a licensed chiropractor.

13. OTHER DIAGNOSTIC AND SCREENING SERVICES: (a) Must be prescribed by a physician. (b) Limited to medical procedures and supplies which enable the physician to identify the existence, nature or extent of the patient's illness, injury or health deviation and which are not covered elsewhere under the MA program.

14. NURSING SERVICES: (a) Must be prescribed by a physician. (b) Must be provided by a registered nurse or licensed practical nurse. (c) Includes services in the patient's home, a hospital or nursing home. (d) Long-term private duty nursing service in a patient's home cannot exceed the average nursing home cost for the area. (e) Includes Christian Science visiting nurse if recommended by a Christian Science practitioner.

15. EARLY AND PERIODIC SCREENING AND DIAGNOSIS: (a) Limited to persons under the age of 21. (b) Includes screening, diagnosis, and treatment of identified conditions.

16. HOME HEALTH CARE SERVICES: (a) Must be prescribed by a physician. (b) Must be provided under the auspices of a certified visiting nurse association, a county public health home nursing agency or a certified home health care agency.

17. CHRISTIAN SCIENCE NURSING HOMES: (a) Sanitorium must be certified by the First Church of Christ Scientist. (b) Care must be recommended by a Christian Science practitioner who is listed in the Christian Science Journal.

18. PHYSICAL THERAPY: (a) Must be prescribed by a physician. (b) Must be provided by a registered physical therapist. (c) Prior authorization by the DHSS Medical Consultant is required for treatment of patients in nursing homes beyond 60 days of therapy in a calendar year.

19. OCCUPATIONAL THERAPY: (a) Same as 18a and 18c. (b) Must be provided by a registered occupational therapist.

20. SPEECH THERAPY: (a) Same as 18a and 18c. (b) Must be provided by a certified speech therapist or pathologist.

21. AUDIOLOGY SERVICES: (a) Same as 18a and 18c. (b) Must be provided by a certified audiologist. (c) Hearing aids, batteries, repairs and accessories costing over $30 are authorized only when purchased from licensed hearing aid dealers and shall not be furnished without written approval of the DHSS Medical Consultant.

22. PSYCHOLOGICAL SERVICES: (a) Same as 18a. (b) Provider must be licensed by the Department of Regulations and Licensing. (c) Includes psychological testing and psychotherapy. (d) Does not include psychometric testing.

23. PSYCHIATRIC SOCIAL WORK SERVICES: (a) Same as 18a. (b) Provider must have a Master's Degree in Social Work. (c) Social Worker must be employed in a psychiatric setting(Psychiatric portion of hospital or nursing home, or mental health clinic).

24. DRUGS: (a) Must be prescribed by a physician. (b) Must be dispensed by a licensed pharmacist or a licensed physician. (c) Refills are payable only when the prescription specifies that it can be refilled a certain number of time or for a specific length of time not to exceed one year. (d) No more than a 34-day supply can dispensed at any one time.

25. FAMILY PLANNING SERVICES: As prescribed by a physician. (See 8, 24, and 28)

26. OTHER LABORATORY AND X-RAY SERVICES: Includes laboratory and x-ray services provided by a private laboratory operated by or under the direction of a physician.

27. EYEGLASSES: (a) Must be prescribed by an optometrist or physician skilled in diseases of the eye. (b) Lens replacements in excess of one per calendar year require prior authorization of the DHSS Medical Consultant. (c) Prior authorization by the DHSS Medical Consultant is required for contact lenses. (d) Payment for frames will not exceed $15 without prior authorization. (e) Tinted lenses other than #1 or #2 require prior authorization by the DHSS Medical Consultant.

28. MEDICAL SUPPLIES AND EQUIPMENT: (a) Must be prescribed by a physician. (b) Includes rental of such equipment and supplies as iron lungs, oxygen equipment, hospital beds and wheelchairs. (c) Prior authorization by the DHSS Medical Consultant is required for items costing over $75 except corrective footwear requires prior authorization when cost exceeds $35. (d) Requests for purchase or rental of wheelchairs for nursing home patients are forwarded to the Division of Health for approval or denial. (e) If a nursing home patient will be transferred to another setting and will require purchase of a wheelchair, the request and prescription must be accompanied by the physician's statement that the wheelchair will contribute toward the rehabilitation of the patient. In addition, the county agency must submit a statement(with the physician's statement) identifying the type of planned living arrangement and a time estimate for accomplishment of the transfer.

29. ARTIFICIAL LIMBS AND OTHER PROSTHETIC DEVICES: (a) Must be prescribed by a physician. (b) Breast prosthesis requires prior authorization by the DHSS Medical Consultant when the unit cost exceeds $125.

30. AMBULANCE SERVICE AND OTHER MEDICAL TRANSPORTATION (PATIENT ONLY): (a) Includes ambulance services, handicab, and law enforcement vehicles. When these vehicles are used in nonemergency situation for nonambulatory individual, the transportation must be prescribed by a physician for a specified period of time (i.e., 3 months, permanent, etc.). The prescription shall explain why the beneficiary cannot travel by common carrier or private automobile and shall be on file in the county agency. (b) Medical transportation which is part of a social service plan is social service administrative expense.

31. MEDICAL COSTS NOT PAID BY MEDICARE AND/OR PRIVATE INSURANCE POLICIES: (a) The State "buys in" the Part B Medicare premiums for SSI recipients. (b) Depending on individual circumstances, the state may "buy in" the Part B Medicare premiums for some AFDC recipients. (c) Dependent on individual circumstances and policy provision. May include deductible and coinsurance portions of services not covered under Medicare or private insurance.

32. FOOD SUPPLEMENTATION: (a) Must be prescribed by a physician. (b) Requires prior authorization by the DHSS Medical Consultant.

33. INFANT FORMULA: Must be prescribed by a physician for allergies, etc.

34. PERSONAL CARE SERVICES: (a) Must be prescribed by a physician. (b) Must be provided 1) under the auspices of an approved social services agency or a certified home health agency, 2) in the recipient's home, as needed, 3) in accordance with a plan of treatment, 4) under supervision by a registered nurse, 5) by a trained provider.

Chapter Three

THE VALUE OF EMPLOYMENT

This chapter brings you to the final question which needs to be addressed as you reach a decision regarding whether you can afford to work: Will the wages and fringe benefits you obtain from employment effectively replace your disability benefits?

When you are employed, there are opportunities for financial advancement. If you stay on disability benefits, your benefits will generally increase as the cost-of-living rises. If you enter employment instead, you may be able to improve your financial position, in the long run, by more than just cost-of-living increases. However, there is a risk that financial advancement on your job may prove to be difficult. Many employees have trouble just keeping up with the rise in the cost-of-living.

Money is not everything. You may decide to enter employment, not because it will improve your financial situation, but because it will give you a constructive activity to perform, an opportunity to develop your talents, and a chance to meet new people.

3.1 WAGES AND TAXES

The minimum hourly wage will change as follows:

Effective Date	Minimum Wage
January 1, 1979	$2.90
January 1, 1980	$3.10
January 1, 1981	$3.35

When you want to convert an hourly wage into a monthly wage (or vice versa), it is useful to know that there are 173 work hours in an average calendar month when you are employed full-time.

Example: Elaine Collins is offered a full-time minimum-wage job. She wants to know what her gross monthly wage sould be. She multiplies $2.90 times 173 and obtains a gross monthly wage of $501.70. This is the average gross monthly wage she can expect to receive, provided that her absences from work are covered by a paid leave-of-absence benefit (i.e. sick leave, paid holidays, or vacation pay) by her employer.

This chapter includes an income tax table. If you have received a job offer, you can use this table to estimate what your NET monthly wage will be after deductions for FICA and STATE and FEDERAL withholding taxes are made from your GROSS wage.

EXAMPLE: Elaine Collins is offered a job which would pay a gross monthly wage of $501.70. She plans to claim one withholding exemption. According to the tax table, her net monthly wage, after taxes, will be approximately $407.00.

The tax table can also be used to find a gross wage which will replace disability benefit payments after taxes are taken into account.

EXAMPLE: Bill Smith receives $620.00 each month from the SSDI program. If he gets a job, he would claim two withholding exemptions. He wants to know what gross monthly wage he would have to earn in order to receive a net wage each month which would be equal to the SSDI payments he receives now. According to the tax table, if he claims two withholding exemptions, his net wage would be $620.00 if his gross wage was $780.00 per month. Bill decides to look for a job that pays at least $780.00 in gross monthly wages.

If you work, you may have work expenses. These are expenses which you do not have if you do not work. For example, as an employee, it may be necessary for you to purchase uniforms to wear on the job, or pay dues to a labor union, or purchase tools, or pay a baby sitter, or pay for transportation to and from work. You will want to take work expenses into account when you are comparing the advantages of working with the advantages of staying on disability benefits.

You may be eligible for the Earned Income Credit. Certain lower-income workers are eligible to receive a special payment of up to $400.00 from the federal government. Many of the people eligible for the payment, called the Earned Income Credit, may not ordinarily be required to file a tax return because their earnings are low. In order to receive this payment, however, you must file a federal income tax return.

To qualify for the credit, you must have less than $8,000.00 in total income including income from wages, salaries, tips or other employee compensation and self-employment income. Additionally, you must have paid more than half the cost of owning or renting a home in which you lived and which for the entire year was also the home of your child.

Qualified persons with earnings of $4,000.00 or less receive a credit of 10% of their earned income only, up to a maximum of $400.00. Those with total income of between $4,000.00 and $8,000.00 also are entitled to the credit based on earned income, but the amount of credit decreases $1.00 for every $10.00 of income over $4,000.00.

TAX TABLE

This table shows what your NET wage will be after deductions for FICA and STATE and FEDERAL witholding taxes are made from your GROSS wage. The table provides an approximate estimate of your net wage. In many cases, there will be a small error of up to $3 or $4. The table is based on MONTHLY wages for unmarried individuals. If you are married, your actual net wage will be different from the amounts shown below.

GROSS WAGE	NET WAGE WITHHOLDING EXEMPTIONS 1	2	3	4	5	6	7	8+
$ 10	9	9	9	9	9	9	9	9
20	19	19	19	19	19	19	19	19
30	28	28	28	28	28	28	28	28
40	38	38	38	38	38	38	38	38
50	47	47	47	47	47	47	47	47
60	56	56	56	56	56	56	56	56
70	66	66	66	66	66	66	66	66
80	75	75	75	75	75	75	75	75
90	84	84	84	84	84	84	84	84
100	94	94	94	94	94	94	94	94
110	103	103	103	103	103	103	103	103
120	113	113	113	113	113	113	113	113
130	122	122	122	122	122	122	122	122
140	131	131	131	131	131	131	131	131
150	141	141	141	141	141	141	141	141
160	150	150	150	150	150	150	150	150
170	160	160	160	160	160	160	160	160
180	169	169	169	169	169	169	169	169
190	178	178	178	178	178	178	178	178
200	188	188	188	188	188	188	188	188
210	196	197	197	197	197	197	197	197
220	203	207	207	207	207	207	207	207
230	211	216	216	216	216	216	216	216
240	218	225	225	225	225	225	225	225
250	226	235	235	235	235	235	235	235
260	233	244	244	244	244	244	244	244
270	242	253	253	253	253	253	253	253
280	248	262	263	263	263	263	263	263
290	256	270	272	272	272	272	272	272
300	264	278	282	282	282	282	282	282
310	272	286	291	291	291	291	291	291
320	278	292	300	300	300	300	300	300
330	286	300	309	309	309	309	309	309
340	294	308	318	319	319	319	319	319
350	302	316	327	329	329	329	329	329

NET WAGE

GROSS WAGE	WITHHOLDING EXEMPTIONS 1	2	3	4	5	6	7	8+
360	308	322	336	337	338	338	338	338
370	316	331	345	347	347	347	347	347
380	323	338	352	356	357	357	357	357
390	331	346	360	365	366	366	366	366
400	336	352	366	374	375	375	375	375
410	345	361	375	383	385	385	385	385
420	350	367	384	392	393	394	394	394
430	360	376	390	401	403	404	404	404
440	365	381	396	409	411	413	413	413
450	374	391	405	419	420	422	422	422
460	379	395	410	427	429	430	432	432
470	388	405	420	434	438	440	441	441
480	393	410	425	441	447	448	450	451
490	402	419	434	449	456	458	459	460
500	407	424	440	454	464	466	467	469
510	416	433	449	463	474	475	477	478
520	421	438	454	469	482	484	485	487
530	431	447	464	479	491	493	495	496
540	435	452	468	483	497	501	503	504
550	445	461	478	493	507	511	512	514
560	449	466	483	498	512	519	521	522
570	459	475	492	507	522	528	530	532
580	467	484	500	516	530	537	538	540
590	473	490	506	522	536	546	548	549
600	476	493	509	526	540	554	556	558
610	485	502	519	535	550	564	566	567
620	494	510	527	543	558	572	574	575
630	503	520	536	553	568	581	583	585
640	504	521	537	554	570	584	592	593
650	513	530	547	563	579	593	601	603
660	522	539	555	572	587	601	609	610
670	531	548	565	581	597	611	619	620
680	531	549	566	586	599	613	627	629
690	540	558	575	592	608	623	636	638
700	549	567	583	600	616	631	645	646
710	558	576	593	609	626	640	654	656
720	558	577	593	612	627	642	656	664
730	567	586	603	619	636	652	666	673
740	575	594	611	627	644	660	674	681
750	584	603	620	637	653	669	683	690
760	584	603	621	638	654	671	685	698
770	593	612	630	647	664	679	694	708
780	601	620	638	655	672	688	702	716
790	610	629	648	665	682	698	714	728
800	611	630	648	664	681	694	712	725

NET WAGE

GROSS WAGE	WITHHOLDING EXEMPTIONS 1	2	3	4	5	6	7	8+
810	620	639	658	675	690	708	723	737
820	628	647	666	683	699	716	731	745
830	637	656	675	692	709	725	741	755
840	637	656	675	693	709	726	742	757
850	646	665	684	702	719	735	752	766
860	654	673	692	710	727	743	760	774
870	664	682	702	719	736	753	769	783
880	664	683	702	721	738	755	771	787
890	672	691	711	730	746	763	779	795
900	680	699	719	738	754	771	787	803
910	689	708	727	747	764	780	798	812
920	690	709	728	747	764	781	798	814
930	698	718	737	756	774	790	807	823
940	706	726	745	764	782	798	815	832
950	716	735	754	773	791	808	824	841
960	713	735	754	773	792	808	825	842
970	723	744	763	782	801	818	835	851
980	730	752	771	790	809	826	843	859
990	737	760	780	799	818	835	852	868
1000	740	761	780	799	818	835	852	869
1010	746	770	789	808	827	845	860	878
1020	754	767	787	816	835	853	869	886
1030	761	784	805	825	844	862	879	895
1040	764	787	806	825	844	863	879	896
1050	770	794	815	834	853	872	889	905
1060	778	801	823	842	861	880	896	913
1070	785	808	831	850	869	889	906	922
1080	787	811	832	851	870	889	906	923
1090	794	817	841	860	879	898	916	932
1100	802	825	848	868	887	906	923	940
1110	809	832	855	876	895	914	933	949
1120	811	835	858	877	896	915	933	950
1130	818	841	865	886	905	924	943	959
1140	826	849	872	893	914	932	950	967
1150	832	856	879	902	921	940	959	976
1160	835	858	882	903	922	941	960	977
1170	842	865	888	911	931	950	969	986
1180	850	873	896	916	938	957	977	994
1190	856	880	903	926	947	966	985	1003
1200	859	882	906	929	948	967	986	1004
1210	866	889	912	936	957	976	995	1013
1220	874	897	920	943	964	983	1002	1021
1230	880	903	927	950	973	992	1011	1030
1240	883	906	929	953	974	993	1012	1030
1250	890	913	936	959	982	1001	1020	1040

NET WAGE

GROSS WAGE	WITHHOLDING EXEMPTIONS 1	2	3	4	5	6	7	8+
1260	897	920	944	967	990	1009	1028	1047
1270	902	927	950	974	997	1018	1037	1056
1280	907	930	953	976	1001	1018	1038	1057
1290	912	936	960	983	1006	1027	1046	1065
1300	919	943	967	990	1013	1034	1053	1072
1310	924	951	974	997	1020	1043	1062	1081
1320	928	953	976	999	1022	1043	1062	1081
1330	934	960	983	1007	1030	1053	1072	1090
1340	941	968	991	1014	1038	1060	1079	1099
1350	947	973	998	1021	1050	1068	1088	1107
1360	951	977	1000	1024	1047	1070	1089	1108
1370	955	981	1006	1029	1052	1076	1096	1115
1380	964	990	1015	1038	1061	1085	1105	1124
1390	969	995	1021	1045	1068	1091	1114	1133
1400	973	1000	1024	1047	1071	1094	1114	1134
1410	978	1005	1031	1054	1077	1101	1123	1142
1420	986	1012	1038	1062	1085	1108	1131	1150
1430	991	1017	1044	1068	1092	1115	1138	1159
1440	995	1022	1048	1071	1094	1118	1140	1159
1450	1000	1027	1053	1078	1101	1124	1148	1168
1460	1008	1034	1061	1085	1109	1132	1155	1176
1470	1013	1039	1066	1092	1115	1138	1162	1184
1480	1017	1044	1070	1095	1118	1141	1165	1185
1490	1022	1049	1075	1101	1125	1148	1171	1194
1500	1030	1056	1083	1109	1132	1155	1179	1201
1510	1034	1061	1088	1115	1139	1165	1185	1209
1520	1039	1066	1092	1118	1142	1171	1188	1211
1530	1043	1071	1097	1124	1148	1180	1195	1218
1540	1051	1078	1105	1131	1156	1179	1202	1225
1550	1054	1083	1110	1136	1162	1186	1209	1232
1560	1062	1088	1114	1141	1165	1188	1212	1234
1570	1063	1093	1119	1146	1172	1195	1218	1241
1580	1071	1100	1127	1153	1179	1202	1226	1249
1590	1074	1104	1132	1158	1185	1209	1232	1256
1600	1080	1110	1136	1163	1189	1212	1235	1258
1610	1084	1114	1141	1168	1194	1217	1242	1265
1620	1091	1121	1149	1175	1202	1226	1249	1272
1630	1095	1125	1154	1180	1207	1233	1256	1279
1640	1101	1131	1158	1185	1211	1235	1259	1282
1650	1104	1134	1163	1190	1216	1242	1265	1288
1660	1112	1142	1171	1197	1224	1250	1273	1296
1670	1115	1145	1175	1202	1229	1255	1279	1303
1680	1121	1151	1180	1207	1233	1259	1282	1305
1690	1124	1155	1184	1211	1238	1265	1289	1312
1700	1131	1161	1191	1218	1245	1272	1076	1319

NET WAGE

GROSS WAGE	WITHHOLDING EXEMPTIONS 1	2	3	4	5	6	7	8+
1710	1135	1165	1195	1224	1251	1277	1303	1326
1720	1141	1171	1201	1228	1255	1282	1306	1329
1730	1145	1175	1205	1233	1260	1287	1312	1335
1740	1152	1182	1212	1241	1268	1294	1320	1343
1750	1156	1186	1214	1246	1273	1299	1326	1350
1760	1162	1192	1222	1250	1277	1304	1329	1352
1770	1165	1195	1225	1255	1282	1309	1335	1359
1780	1173	1203	1233	1262	1290	1316	1343	1367
1790	1176	1206	1236	1266	1294	1321	1348	1373
1800	1182	1212	1242	1272	1299	1326	1352	1376
1810	1185	1215	1245	1275	1304	1330	1357	1382
1820	1193	1223	1253	1283	1311	1338	1365	1390
1830	1196	1226	1256	1286	1316	1343	1370	1396
1840	1202	1232	1262	1292	1321	1347	1374	1399
1850	1206	1237	1266	1295	1325	1352	1379	1406
1860	1213	1243	1273	1303	1333	1360	1387	1413
1870	1217	1246	1276	1306	1336	1365	1391	1418
1880	1223	1253	1283	1312	1342	1369	1396	1423
1890	1226	1256	1286	1316	1346	1374	1401	1427
1900	1234	1263	1293	1323	1353	1382	1408	1435
1910	1237	1267	1297	1327	1357	1387	1413	1440
1920	1243	1273	1303	1333	1363	1391	1418	1444
1930	1246	1276	1306	1336	1366	1396	1423	1449
1940	1254	1284	1314	1344	1373	1403	1430	1457
1950	1256	1287	1317	1347	1377	1407	1435	1462
1960	1263	1293	1323	1353	1383	1413	1440	1466
1970	1265	1296	1326	1356	1386	1416	1445	1471
1980	1273	1304	1334	1364	1394	1424	1452	1479
1990	1274	1307	1337	1367	1397	1427	1457	1483
2000	1282	1313	1343	1373	1403	1433	1461	1488

3.2 HEALTH INSURANCE

Persons with medical impairments are frequently denied health insurance coverage by private insurance companies. Disabled persons are frequently considered to be "high risk" individuals for purposes of health and life insurance. For some disabling conditions, classification as a high risk is justified by actuarial data. For other disabling conditions, classification as high risk is not justified by acturial data and is based instead upon myth and stereotype. As a disabled person, you may find that private insurance companies will offer you sub-standard health insurance. The company may 1) reject your application for insurance or 2) charge you a higher premium than they would charge a "standard risk" individual, or 3) attach restrictive riders to your health insurance policy.

Your employer may offer you group health insurance as a fringe benefit. If so, ask your employer about the following:

1. Is evidence of "insurability" required? In many group health insurance programs, you are not required to undergo a medical examination or answer questions regarding your medical condition in order to receive coverage. If you are disabled, group health insurance through your employer may be a very important fringe benefit since it may be difficult for you to obtain health insurance coverage elsewhere. However, not all group health insurance programs will allow you to participate without evidence of insurability, particularly if the number of people participating in the insurance program is relatively small.

2. How long is the "open enrollment period?" Most group health insurance programs allow you to enter the program without evidence of insurability only within thirty days after you are hired by the employer. If you wait longer than thirty days (or whatever the open enrollment period is) before you apply to enter the program, you will be required to present evidence of your insurability.

3. How long is the "waiting period for pre-existing conditions?" If you require medical services or treatment for a medical condition you had prior to enrolling in a group health insurance program, the cost of those services will NOT be covered by your insurance until you have satisfied a "waiting period," usually several months long. After the waiting period is over, you can receive coverage for pre-existing conditions. This means that if you have medical expenses associated with a pre-existing condition during the waiting period, you will have to find some other way of covering those expenses.

4. Are part-time employees covered? If you are considering part-time employment, you should take into consideration the fact that most group health insurance programs do not allow part-time employees to be eligible.

5. Are employees required to pay a premium? Some employers pay the entire group health insurance premium for their employees. Other employers require their employees to pay part of the premium. If employees who participate in the group health insurance plan are required to pay a premium, you will want to take the amount of that premium into account in your financial planning.

6. What does the group health insurance plan cover? Different health insurance plans cover different medical expenses. Chapter two of this handbook provides descriptions of what MA and Medicare will cover.

Under sections 503 and 504 of the Rehabilitation Act of 1973, your employer may be required to provide you the same health insurance fringe benefit provided to other employees in the same company. Employers are expected to refrain from discriminating against handicapped employees. Differences in health insurance coverage for handicapped v.s. non-handicapped employees could be considered a form of discrimination. However, the application of sections 503 and 504 to the question of insurance benefits contains many difficult and unresolved issues. Sometimes the problem lies with the insurance companies rather than the employer. In other situations, it appears that insurance companies do have a reasonable actuarial basis for restricting their coverage of handicapped individuals. The respective responsibilities of employers, insurance companies, the taxpayers, and handicapped workers have yet to be resolved.

If open enrollment in a group health insurance plan is not available to you, your degree of insurability will depend upon the nature of your medical impairment:

You are highly unlikely to obtain health insurance coverage if you have one of the following conditions:

Alcoholism
Malignant disease

You probably will not be able to obtain health insurance coverage if you have one of the following conditions:

Diabetes
Drug addiction
Epilepsy
Spinal defect
Cardiovascular disease
Gastrointestinal disease
Systemic disease:
  Blood
  Neuromuscular
  Respiratory
  Neuropsychiatric

You may be able to obtain health insurance coverage despite the presence of the following conditions:

Deaf
Blind
Speech impairment
Mental retardation
Absence of an extremity

The following disability associations may be able to help you identify health insurance programs which offer important benefits to handicapped individuals:

Easter Seal Society of Wisconsin
Mental Health Association in Wisconsin
National Multiple Sclerosis Society
National Spinal Cord Injury Foundation
United Cerebral Palsy
Wisconsin Association for the Deaf
Wisconsin Association of Retarded Citizens
Wisconsin Association on Alcoholism and Other Drug Abuse
Wisconsin Council of the Blind
Wisconsin Epilepsy Association
Wisconsin Spina Bifida Association